

Exhibit 27

PREPA, Proposed Annual Budget for Fiscal Year 2012-2013

GOVERNMENT OF PUERTO RICO
PUERTO RICO ELECTRIC POWER AUTHORITY

SAN JUAN, PUERTO RICO

www.prepa.com



GPO BOX 364267
SAN JUAN, PR 00936-4267

RESOLUTION 3932

WHEREAS, pursuant to Section 504 of the Trust Agreement of January 1, 1974, adopted by Resolution No. 1395, the Authority covenants that, on or before the 15th day of May of each year, the Governing Board will cause to be prepared and will adopt and file with the Secretary, with the Trustee, and with the Consulting Engineers a Proposed Budget of Current Expenses and of Capital Expenditures for the ensuing fiscal year; and

WHEREAS, in a special meeting of the Governing Board, held on June 29, 2012, the proposed budget was presented and discussed.

BE IT RESOLVED by the Puerto Rico Electric Power Authority:

That the Proposed Budget of Current Expenses and of Capital Expenditures for 2012-2013, filed with the Secretary this day and marked Exhibit 2902, is hereby adopted and public hearings be held pursuant to Section 504 of the Trust Agreement of January 1, 1974. The Secretary is directed to file a copy of the Consolidate Budget of Current Expenses and Capital Expenditures.

Adopted in San Juan, Puerto Rico, the 29th day of June, 2012.

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WORKING COLLABORATIVELY WITH SENSE OF URGENCY



May 16, 2012

Sr. Nelson Morales
Chief Financial Officer
Puerto Rico Electric Power Authority
P.O. Box 364267
San Juan, PR 00936-4267

Dear Sr. Morales:

We have received a copy of the Proposed Budget of Current Expenses and Capital Expenditures for fiscal year 2012-2013.

With this letter, we hereby approve the Proposed Budget of Current Expenses and Capital Expenditures for fiscal year 2012-2013.

Very truly yours,

A handwritten signature in black ink, appearing to read "George W. Romano, Jr.", is written over the typed name and title.

George W. Romano, Jr.
Consulting Manager

GWR/gs

URS Corporation
One Canal Park
Cambridge, MA 02141
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Commonwealth of Puerto Rico
Puerto Rico Electric Power Authority

PROPOSED ANNUAL BUDGET CURRENT EXPENSES AND CAPITAL EXPENDITURES

Fiscal Year 2012-13



Commonwealth of Puerto Rico
PUERTO RICO ELECTRIC POWER AUTHORITY

PROPOSED ANNUAL BUDGET FOR FISCAL YEAR 2012-2013

PER SECTION 504 OF THE TRUST AGREEMENT

	<u>CONTENTS</u>	<u>PAGE</u>
Statement No. 1	PROPOSED ANNUAL BUDGET SUMMARY - PRO FORMA INCOME STATEMENT FOR REVENUE FUND PURPOSES	1
Statement No. 2	PROPOSED ANNUAL BUDGET OF CAPITAL EXPENDITURES	2-6
Statement No. 3	FINANCING REQUIREMENTS FOR THE PROPOSED ANNUAL BUDGET OF CAPITAL EXPENDITURES	7
Statement No. 4	DETAIL OF FUNDS TO BE PROVIDED BY THE GOVERNMENT DEVELOPMENT BANK	8

Statement No. 1

Commonwealth of Puerto Rico
PUERTO RICO ELECTRIC POWER AUTHORITY

PROPOSED ANNUAL BUDGET - FISCAL YEAR 2012-2013

STATEMENT OF REVENUES AND EXPENSES FOR REVENUE FUND PURPOSES
PER TRUST AGREEMENT - SUMMARY
(Dollars in thousands)

<i>Revenues:</i>	<i>Amount</i>
<i>Sales of Electric Energy</i>	<i>4,860,889</i>
<i>Other income</i>	<i>5,058</i>
<i>Total revenues</i>	<i>4,865,947</i>
<i>Less: 1974 Construction fund investment income and gain on sale of properties</i>	<i>0</i>
<i>Revenues (As defined)</i>	<i>4,865,947</i>
<i>Current Expenses:</i>	
<i>Fuel</i>	<i>2,607,917</i>
<i>Purchased power</i>	<i>740,867</i>
<i>Salaries</i>	<i>528,827</i>
<i>Wages</i>	<i>10,025</i>
<i>Materials and Supplies</i>	<i>11,871</i>
<i>Transportation</i>	<i>27,434</i>
<i>Per Diem and Traveling Expenses</i>	<i>4,405</i>
<i>Mileage and Stand By Expenses</i>	<i>1,978</i>
<i>Division Expenses</i>	<i>12,819</i>
<i>Corporatives Expenses</i>	<i>94,455</i>
<i>Interest charges</i>	<i>0</i>
<i>Misc. Income Deduction</i>	<i>0</i>
<i>Total current expenses</i>	<i>4,040,598</i>
<i>Net Revenues</i>	<i>825,349</i>
<i>Debt Services:</i>	
<i>1974 Sinking Fund Payment</i>	
<i>Interest account</i>	<i>527,109</i>
<i>Bond redemption account</i>	<i>0</i>
<i>Reserve</i>	<i>0</i>
<i>Self Insurance Fund</i>	<i>0</i>
<i>Interest on Notes</i>	<i>6,372</i>
<i>Capital Improvement Fund</i>	<i>27,000</i>
<i>Reserve Maintenance Fund</i>	<i>0</i>
<i>Total contractual obligations</i>	<i>560,481</i>
<i>Balance</i>	<i>264,868</i>
<i>Provision for contribution in lieu of taxes to municipalities</i>	<i>264,868</i>
<i>Other appropriations</i>	<i>0</i>
<i>Balance</i>	<i>0</i>

Statement No. 2

Commonwealth of Puerto Rico
PUERTO RICO ELECTRIC POWER AUTHORITY
ANNUAL BUDGET OF CAPITAL EXPENDITURES
FISCAL YEAR 2012-2013
(Dollars in thousands)

*Budget
Item
No.*

Budget Item Title

Amount

Production Plant

Thermal Production Plant

150	Fuel Handling and Storage Infrastructure	6,300
160	Improvements To Steam Boilers	38,800
165	Improvements To Steam Turbine Generator	12,500
170	Improvements To Steam Balance of Plants	32,450
173	Environmental Contamination Treatment and Removal	1,000
175	Pollution Control Projects	7,100
	Total Thermal Production Plant	<u>98,150</u>

Hydraulic Production Plant

180	Hydroelectric Plant Improvements	<u>1,000</u>
	Total Hydraulic Production Plant	<u>1,000</u>

Other Production

185	Improvements To Simple Cycle Combustion Turbines	2,500
187	Improvements To Simple Cycles Turbines Balance of Plant	1,000
195	Improvements To Combine Cycle Balance of Plants	3,500
196	Improvements To Combine Cycle Gas Turbines	10,000
199	Other Improvements to Generation Plants	2,748
	Total Other Production	<u>19,748</u>

TOTAL PRODUCTION PLANT

118,898

Commonwealth of Puerto Rico
PUERTO RICO ELECTRIC POWER AUTHORITY

ANNUAL BUDGET OF CAPITAL EXPENDITURES
FISCAL YEAR 2012-2013
(Dollars in thousands)

<u>Budget Item No.</u>	<u>Budget Item Title</u>	<u>Amount</u>
	<u>Transmission Plant</u>	
205	230 kV New Line	18,435
207	115 kV New Line	1,900
210	38 kV New Line	675
215	38 kV Underground System	50
230	115/38 kV New Transmission Center and Increase Cap	7,950
235	230 kV Switchyard - New and Expansions	525
237	115 kV Switchyard New and Expansions	4,545
242	38 kV Switchyard New and Expansions	1,250
255	Energy Management System	975
267	115 kV Line Rehabilitation	2,250
275	38 kV Line Rehabilitation	11,585
280	Transmission Pole Replacements	2,000
285	Breakers Upgrading	470
288	Grounding Mat Reconstruction	5
292	Miscellaneous Improvement to Transmission	5,750
294	Other Transmission Plant	600
	TOTAL TRANSMISSION PLANT	58,965

Commonwealth of Puerto Rico
PUERTO RICO ELECTRIC POWER AUTHORITY

ANNUAL BUDGET OF CAPITAL EXPENDITURES
FISCAL YEAR 2012-2013
(Dollars in thousands)

<u>Budget Item No.</u>	<u>Budget Item Title</u>	<u>Amount</u>
	<u>Distribution Plant</u>	
300	New Distribution Substations	5,470
305	Substations Increase Capacity	1,775
315	Construction and Extension of 13.2 kV Aerial Feede	6,682
316	Construction and Extension of 4.16-8.32 kV Aerial	1,930
330	Line Extensions to Serve New Customers	1,795
335	Construction and Extension of 13.2 kV Underground Feeders	1,170
340	New Services Drops Installation Commercial	1,200
360	Substations Rehabilitation	4,000
363	Miscellaneous Substations Improvements	140
368	Replacement of Residential and Commercial Service	600
370	Improvements to the 4.16 kV - 8.32 kV Aerial Distribution Sytem	22,280
374	Improvements to the 13.2 kV Aerial Distribution Sytem	2,380
378	Improvements to the 13.2 kV Underground System	12,500
379	Improvements to the 4.16 kV - 8.32 kV Underground	6,225
382	Street Lighting	4,000
383	Special Transformers	1,150
385	Purchase of Meters and Metering Equipments	11,450
390	Purchase and Instalation of Breakers and Sectionalizer	1,025
392	Purchase and Instalation of Voltage Regulators	275
395	Distribution Line Capacitors	475
397	Distribution Line Voltage Converters	575
398	Distribution System Automation	1,000
399	Other Distribution Projects	3,000
	TOTAL DISTRIBUTION PLANT	91,097

Commonwealth of Puerto Rico
PUERTO RICO ELECTRIC POWER AUTHORITY

ANNUAL BUDGET OF CAPITAL EXPENDITURES
FISCAL YEAR 2012-2013
(Dollars in thousands)

<u>Budget Item No.</u>	<u>Budget Item Title</u>	<u>Amount</u>
<u>General Land and Building</u>		
400	Land and Right of Way	1,800
430	Construction of Technical Buildings	600
462	Minor Improvements Technical Offices	700
468	Improvement of Warehouses	1,270
470	Improvement to Workshops	400
472	Improvement to Other Buildings	200
478	Improvement Land & Buildings- Administrative Service	6,950
480	Improvement to Commercial Offices - Client Service	940
TOTAL GENERAL LAND AND BUILDINGS		12,860
<u>Equipment</u>		
<u>Computer Equipment</u>		
520	Computer Equipment - Executive	125
521	Computer Equipment - Systems	2,400
522	Computer Equipment - Legal	20
523	Computer Equipment - Planning and Environmental	270
525	Computer Equipment - Finance	180
526	Computer Equipment - Administrative Services	25
527	Computer Equipment - Human Resources	250
528	Computer Equipment - Generation	200
529	Computer Equipment - Client Service	3,250
530	Computer Equipment - Transmission and Distribution	185
Total Computer Equipment		6,905
<u>Transportation Equipment</u>		
540	Equipment - Air Transportation	300
545	Equipment - Adquisition and Replacement of Land	5,000
Total Transportation Equipment		5,300

Commonwealth of Puerto Rico
PUERTO RICO ELECTRIC POWER AUTHORITY

ANNUAL BUDGET OF CAPITAL EXPENDITURES
FISCAL YEAR 2012-2013
(Dollars in thousands)

<u>Budget Item No.</u>	<u>Budget Item Title</u>	<u>Amount</u>
<u>Other Equipment</u>		
509	Office Equipment - Finance	20
513	Office Equipment - Client Services	100
514	Office Equipment - Transmission and Distribution	200
551	Equipment Communication - Client Services	150
553	Equipment Communication Transmission and Distribution	75
560	Other Equipment - Planning and Environmental	775
562	Other Equipment - Engineering	550
564	Other Equipment - Administrative Services	480
565	Equipment Workshop Land Transportation	175
566	Other Equipment - Human Resources	10
570	Other Equipment - Client Services	715
572	Other Equipment - Transmission and Distribution	635
576	Other Equipment - Corporate Security	300
	Total Other Equipment	<u>4,185</u>
	TOTAL EQUIPMENT	<u>16,390</u>
<u>Preliminary Surveys and Investigation</u>		
600	Preliminary Studies - Engineering	1,000
605	Preliminary Studies - Infrastructure & Operation	100
610	Preliminary Studies - Planning & Environmental	540
611	Renewable Energy Sources	150
	TOTAL PRELIMINARY SURVEYS AND INVESTIGATION	<u>1,790</u>
	TOTAL CAPITAL EXPENDITURES BUDGET	<u>\$ 300,000</u>

Statement No. 3

Commonwealth of Puerto Rico
PUERTO RICO ELECTRIC POWER AUTHORITY

PROPOSED ANNUAL BUDGET OF CAPITAL EXPENDITURES

FISCAL YEAR 2012-13
FINANCING REQUIREMENTS

(Dollars in thousands)

<u>Capital Expenditures Budget</u>	<u>Amount</u>
Production Plant	118,898
Transmission Facilities	58,965
Distribution Facilities	91,097
Others	<u>31,040</u>
TOTAL	<u><u>300,000</u></u>

Sources of Construction Funds

Financing

Internally Generated Funds	27,000
Borrowed Funds:	
Interim	0
Permanent - Regular	0
Capitalized Interest	0
Earned Interest	0
Amounts provided from (or used for)	
unexpended financing and other funds	<u>273,000</u>
TOTAL	<u><u>300,000</u></u>

Statement No. 4

Commonwealth of Puerto Rico
PUERTO RICO ELECTRIC POWER AUTHORITY

DETAIL OF FUNDS TO BE PROVIDED BY THE
GOVERNMENT DEVELOPMENT BANK

FISCAL YEAR 2012-2013
(Dollars in thousands)

<u>MONTH\YEAR</u>	<u>AMOUNT</u>	<u>MONTH\YEAR</u>	<u>AMOUNT</u>
JULY 2012	-	JANUARY 2013	-
AUGUST 2012	-	FEBRUARY 2013	-
SEPTEMBER 2012	-	MARCH 2013	-
OCTOBER 2012	-	APRIL 2013	-
NOVEMBER 2012	-	MAY 2013	-
DECEMBER 2012	-	JUNE 2013	-